

# **Ordinance (1983:476) on the double taxation treaty between Sweden and Tunisia**

**SFS** : 1983:476 **Ministry / Authority** : Ministry of Finance S4 **Issued** : 1983-05-05 **Modified** SFS 1984:145 **Other text** : Only the Swedish text is included in Annexes **Change Records** : [SFSR \(Lagrummet\)](#) **Source** : Cabinet Office / Lagrummet

The agreement for the avoidance of double taxation with respect to taxes on income and wealth as Sweden and Tunisia signed May 7, 1981 shall be valid for Sweden. Content of the agreement set out in Annex 1 to this Regulation. For the purposes of the Agreement shall be complied with the instructions attached thereto as Annex 2.

## **Appendix 1**

### **Agreement between the Government of Sweden and the Government of Tunisia for the avoidance of double taxation with respect to taxes on income and on capital**

Government of Sweden and the Government of Tunisia, which enter into an agreement for the avoidance of double taxation with respect to taxes on income and on capital, have agreed upon the following provisions:

#### **ARTICLE 1**

##### **Persons to whom this Agreement applies**

This Agreement shall apply to persons who are residents of a Contracting State or in both states.

#### **ARTICLE 2**

##### **Taxes covered by the Agreement**

1. This Agreement shall apply to taxes on income and on capital imposed on behalf of each of the contracting states, their political subdivisions or local authorities, irrespective of the manner in which they are levied.

2nd With taxes on income and on capital all taxes imposed on total income or total capital, or on elements of income or of capital, including taxes on gains from the alienation of movable or immovable property and taxes on capital appreciation.

third The existing taxes to which the Agreement shall apply are:

a) With respect to Sweden: 1) the State income tax and coupon tax included, 2) the replacement tax, 3) distribution tax, 4) tax on public performances, 5) municipal taxes, and 6) the State capital tax; (Tax of the kind referred to hereinafter as "Swedish tax").

b) As regards Tunisia: 1) the tax on business income, 2) the tax on income from non-commercial activities, 3) the tax on wages, 4) the tax on income from agriculture, 5) the tax on capital gains, 6) tax on capital loans, deposits, guarantees and current accounts (IRC), 7) the tax on industrial and commercial companies, 8) tax on hotel companies, 9) the tax on rent, 10) tax on capital appreciation of the property, 11) state personal income tax; (Tax of the kind referred to hereinafter as "Tunisian tax").

4th The Agreement shall also apply to any identical or substantially similar taxes imposed after the date of signature of the Agreement in addition to or instead of specific taxes. The competent authorities of the Contracting States shall notify each other of any significant changes that have occurred in their respective taxation laws.

### **ARTICLE 3**

#### General Definitions

1. Unless the context otherwise requires, the purposes of this Agreement, the following terms as defined below:

- a) the terms "a Contracting State" and "the other Contracting State" mean Sweden or Tunisia, as the context requires;
- b) the term "Sweden" means the Kingdom of Sweden, including any area outside the territorial sea of Sweden, in which Sweden under Swedish law and in conformity with international law, the rights with respect to the exploration and exploitation of the seabed or the subsoil;
- c) the term "Tunisia" means the Republic of Tunisia, including any area outside the Tunisian territorial sea within which Tunisia under Tunisian law and consistent with international law, the rights with respect to the exploration and exploitation of the seabed or the subsoil;
- d) the term "person" includes an individual, a company and any other body of persons;
- e) the term "company" means any body corporate or any entity which is treated as a legal person;
- f) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise which has its place of effective management in a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;

g) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;

h) the term "competent authority" means:

**Regarding Sweden, Budget Minister or his authorized representative, and**

related to Tunisia, the Minister of Finance or his authorized representative;

i) the term "national" means:

- 1) any individual possessing the nationality of a Contracting State, and
- 2) any legal person or other entity established under the laws in force in a Contracting State.

2nd Where a Contracting State shall apply this Agreement shall, unless under the law of that State concerning the taxes covered by the Agreement.

**ARTICLE 4**

**Fiscal domicile**

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who under the law of that State, is liable to tax therein by reason of his domicile, residence, place of management or any other similar circumstance. The term does not include any person who is liable to tax in that State in respect only of income from sources in that State or capital situated in that State.

2nd Where by reason of the provisions of paragraph 1 an individual is considered to be a resident of both Contracting States, the case shall be determined as follows:

- a) He shall be deemed to be a resident of the Contracting State in which he has a permanent home available to him; if he has a permanent home in both Contracting States, he shall be deemed to be a resident of the Contracting State with which his personal and economic relations are closer (center of vital interests);
- b) if it can not be determined, Contracting State in which he has his center of vital interests, or if he is not in either Contracting State has a home, permanent home available to him, he shall be deemed to be a resident of the Contracting State where he usually resides ;
- c) if he has an habitual abode in both Contracting States, or if he does not reside permanently in any of them, he shall be deemed to be a resident of the Contracting State of which he is a national;
- d) if he is a national of both Contracting States, or if he is not a citizen of any of them, the competent authorities of the Contracting States shall settle the question by mutual agreement.

third Where by reason of the provisions of paragraph 1 a person other than an

individual is a resident of both Contracting States, then it shall be deemed to be a resident of the Contracting State in which its place of effective management.

## **ARTICLE 5**

### **Permanent establishment**

1. For the purposes of this Convention, the term "permanent establishment" means a fixed place of business in which the company is wholly or partly carried on.

2nd The term "permanent establishment" includes especially:

- a) a place of management,
- b) branch,
- c) an office,
- d) a factory,
- e) a workshop, f) a mine, quarry or other place of extraction of natural resources,
- g) a building, temporary construction work or supervisory activities relating to such work when these works or this monitoring lasts more than six months, or when such temporary construction work or such monitoring activities conducted in connection with the purchase of machinery or equipment is less than six months but the cost of construction work or supervision exceeds ten percent of the price of the machines or equipment , and
- h) inventory, warehouses or other device for maintaining stock of goods or merchandise belonging, from where goods are taken to orders where this stock is managed by an employee or agent of the company.

third The term "permanent establishment" shall be deemed not to include:

- a) the use of facilities solely for the storage or display of goods or merchandise belonging,
- b) the maintenance of a company belonging to the inventory exclusively for storage or display,
- c) the maintenance of one belonging to the enterprise solely for the inventory of processing by another enterprise.
- d) the maintenance of a fixed place of business solely for the purchase of merchandise or of collecting information for the enterprise.

4th A person acting in a Contracting State to a business in the other Contracting State - it shall include no such independent representative referred to in paragraph 6 below - is treated as a permanent establishment in the first-mentioned State:

- a) if he is in this state has, and habitually exercises an authority to negotiate and conclude contracts for the company or on its behalf, or
- b) if he is in the first State usually hold a stock from which he regularly takes out goods to deliver these to the company or on its behalf.

5th Insurance companies in a Contracting State shall be deemed to have a permanent establishment in the other Contracting State if it collects premiums in that other State or insures risks existing transmission by another representative than those included in

the class of persons referred to in paragraph 6 below.

6. Enterprises of a Contracting State is considered to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of independent status, provided that such persons are acting in the ordinary course of business.

7. The fact that a company which is a resident of a Contracting State controls or is controlled by a company resident in the other Contracting State, or which carries on business in that other State (whether through a permanent establishment or otherwise), shall not of and for itself constitute either company a permanent establishment of the other.

## **ARTICLE 6**

### **Income from property**

1. Income from immovable property including income from agriculture or forestry may be taxed in the Contracting State in which the property is located.

2nd The term "property" has the meaning which it has under the laws of the Contracting State in which the property in question is situated. The term includes accessory to property, livestock and equipment used in agriculture and forestry, rights to which the provisions of general law on property apply, usufruct of immovable property and rights to variable or fixed payments as consideration for the working of, or the right to work, mineral deposits, sources and other natural resources. Ships, boats and aircraft shall not as property.

third The provisions of paragraph 1 shall apply to income derived from the direct use, letting or use in any other real estate.

4th The provisions of paragraphs 1 and 3 shall also apply to the income from immovable property of an enterprise and to income from immovable property used for the performance of professional services.

## **ARTICLE 7**

### **Profits**

1. The profits of an enterprise of a Contracting State shall be taxable only in that State unless the enterprise carries on business in the other Contracting State through a permanent establishment situated therein. If the company carries on business as aforesaid, the enterprise may be taxed in the other State but only so much of them as is attributable to that permanent establishment.

2nd An enterprise of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, provision, unless the provisions of paragraph 3 to the contrary, in each Contracting State to that permanent establishment the profits which it might be assumed that the establishment would have acquired, if it were a distinct and separate enterprise engaged in the same or similar

activities under the same or similar conditions and dealing wholly independently with the enterprise of which it is a permanent establishment.

third In determining the permanent establishment are allowed as deductions expenses which are incurred for the permanent establishment including costs for executive and general administrative expenses, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere. Deductions not represent amounts that permanent establishment pays to company headquarters or other company belonging to the establishment in the form of royalties, fees or other similar payments in return for the use of patents or other rights, or by way of commission fees (unless the payment towards reimbursement of actual expenses ) for services performed or for management, or - except in the case of banking companies - in the form of interest on moneys lent to the permanent establishment.

4th To the extent that income attributable to a permanent establishment titled determined in a Contracting State on the basis of a distribution of the company's total profits of the different parts of the company, the provisions of paragraph 2 does not preclude that Contracting State from the taxable income is determined by such a procedure. The allocation method must be such that the result is consistent with the principles in this article.

5th Profits shall be attributed to a permanent establishment by reason of the goods purchase by that permanent establishment or merchandise for the enterprise.

6. For the purposes of the preceding paragraphs, the profits attributable to the permanent establishment by the same method year by year unless there is good and sufficient reason to the contrary.

7. Profit-sharing, as a shareholder in the company which operated in the form of "société de fait" or "association en participation" obtain, get under the foregoing provisions of this Article, be taxed in the state where the company has a permanent establishment.

8. Included in capital operating income which are dealt with separately in other Articles of this Convention, then the provisions of those articles of the rules in this article.

## **ARTICLE 8**

### **Maritime and aviation**

1. Profits from the operation of ships or aircraft in international traffic shall be taxable only in the Contracting State in which the place of effective management is situated.

2nd If companies engaged in the shipping of effective management on board a vessel shall be deemed to be situated in the Contracting State where the vessel's home port or, if no such home harbor, in the Contracting State in which the ship is a resident.

third The provisions of paragraph 1 shall apply to income derived by the Norwegian, Danish and Swedish air transport consortium Scandinavian Airlines System (SAS), but only in respect of the portion of income that corresponds to the participation held

in that consortium by AB Aero Transport (ABA), the Swedish partner of Scandinavian Airlines System (SAS).

4th The provisions of paragraph 1 shall also apply to profits from the participation in a pool, a joint business or an international operating agency.

## **ARTICLE 9**

Associated enterprises

1. Where

a) an enterprise of a Contracting State participates directly or indirectly in the management or supervision of an enterprise of the other Contracting State, or takes part in this company's capital, or

b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of a Contracting State and an enterprise of the other Contracting State, or takes part in both their capital, observed the following.

Between the two enterprises in their commercial or financial relations made or imposed conditions, which differ from those which would have been agreed between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in that enterprise and taxed accordingly.

2nd Where profits on which an enterprise of a Contracting State to tax in that State also included in the income of an enterprise of the other Contracting State and taxed there, and the profits so included are profits which would have been generated for this company in the second State if the conditions made between the enterprises had been those which would be made between independent enterprises, then that other State shall make a corresponding adjustment of the tax imposed by that State income. In determining such adjustment, due regard shall be taken to the other provisions of this Agreement in respect of the revenue nature.

## **ARTICLE 10**

Dividends

1. Dividends paid by a company resident in a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2nd Dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident in accordance with the laws of that State, but the tax may not exceed:

a) 15 percent of the gross amount if the recipient is the company that holds directly at least 25 percent of the distributing company's capital;

b) 20 per cent of the gross amount of other cases.

The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation. This paragraph shall not affect the

company's taxable profits out of which dividends are paid.

third The term "dividends" as used in this Article means income from shares, participation certificates, or other similar evidence of entitlement to a share in profits, mining shares, founders' shares or other rights, not being debt-claims, participating in profits, as well as income from other units in companies by the taxation law of the State in which the distributing company is resident assimilated to income from shares.

4th In cases where a company resident in Sweden holds one or more permanent establishments in Tunisia, Tunisia may charge taxes on capital gains up to 15 percent of the difference between the income of a permanent establishment or establishments acquired and the tax on capital movement.

5th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the dividends is a resident of a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein, or performs in that other State where fixed base situated therein, and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or stadigvarnde device. In such case the provisions of Article 7 or Article 14.

## **ARTICLE 11**

### **Interest**

1. Interest arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2nd Such interest may also be taxed in the Contracting State in which it arises and according to the laws of that State, but the tax so charged shall not exceed 12 percent of the interest amount. The competent authorities of the Contracting States shall by mutual agreement settle the mode of application of this limitation.

third The term "interest" as used in this Article means income from securities issued by the state, bonds or debentures, whether secured by mortgage on the property or not, and either carrying a right to participate in profits or not. The term refers also income from other types of debt as well as other income under the tax laws of the State in which the income is derived assimilated to income from pre-stretch.

4th The provisions of paragraphs 1 and 2 shall not apply if the recipient of the interest is a resident of a Contracting State, carries on business in the other Contracting State in which the interest arises, through a permanent establishment situated therein, or performs in that other State independent personal services from a fixed therein, and the debt for which the interest is paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

5th Interest shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If the person paying the interest, whether he is a resident of a Contracting State or not, has in a

Contracting State a permanent establishment or a fixed base in connection with which the indebtedness on which the interest is paid and such interest is borne by such permanent establishment or fixed base, is considered. However, the interest to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6. In respect of cases where a special relationship between the payer and the recipient or between both of them and some other person, that the paid amount of the interest, having regard to the claim for which it is paid, exceeds the amount which would have been agreed upon by the payer and the recipient of such relationship existence, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under the laws of each Contracting State, due to the other provisions of this Agreement.

## **ARTICLE 12**

### **Royalty**

1. Royalties arising in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2nd Royalties may also be taxed in the Contracting State in which it arises and according to the laws of that State, but the tax so charged shall not exceed:

a) 5 percent of the gross royalties when it is paid as consideration for the use of or the right to use, any copyright of literary, artistic or scientific work, except for the cinema and television films,

b) 15 percent of gross royalties in all other cases.

third The term "royalties" in this Article means payments of any kind received as a consideration for the use of, or the right to use, any copyright of literary, artistic or scientific work including cinematograph films and films or tapes for radio or television broadcasting, any patent, trade mark, design or model, plan, secret formula or process, or for the use of, or the right to use industrial, commercial or scientific equipment or for information concerning industrial, commercial or scientific experience, and reimbursement of knowledge in the technical or economic field.

4 . The provisions of paragraphs 1 and 2 shall not apply if the recipient of the royalties is a resident of a Contracting State, carries on business in the other Contracting State in which the royalties arise, through a permanent establishment situated therein, or performs independent personal services in that other State independent personal services from fixed base, and the right or property in respect of which the royalties are paid is effectively connected with such permanent establishment or fixed base. In such case the provisions of Article 7 or Article 14.

5th Royalties shall be deemed to arise in a Contracting State when the payer is that State itself, a political subdivision, a local authority or a resident of that State. If the person paying the royalties, whether he is a resident of a Contracting State or not, has in a Contracting State a permanent establishment or a fixed base in connection with which the right arose for which they are paid and royalties are borne by such

permanent establishment or fixed base, is considered to arise in the Contracting State in which the permanent establishment or fixed base is situated.

6. For such cases, a special relationship between the payer and the recipient or between both of them and some other person, that the paid amount of the royalties, having regard to the performance, for which they are paid, exceeds the amount which would have been agreed upon by the payer and the recipient of such relations is made, the provisions of this Article shall apply only to the last mentioned amount. In such case, the excess amount under lastiftningen of each Contracting State, due to the other provisions of this Agreement.

## **ARTICLE 13**

### Capital Angelino

1. Gains from the alienation of immovable property referred to in Article 6, paragraph 2, and profits accruing from the transfer of shares in companies whose assets consist mainly of property, may be taxed in the Contracting State in which the property is located.

2nd Gains from the alienation of movable property forming part of the business property of a permanent establishment which an enterprise of a Contracting State has in the other Contracting State or of movable property pertaining to a fixed base for the exercise of independent professional activity, as a resident of a Contracting State has in the other Contracting State may be taxed in that other State. The same applies to profits from the alienation of such a permanent establishment (alone or with the whole enterprise) or of such fixed base. Gains from the alienation of immovable property referred to in Article 20, paragraph 3, shall be taxable only in the Contracting State in which such movable property under that article may be taxed.

third Gains from the alienation of any property other than that referred to in paragraphs 1 and 2 shall be taxable only in the Contracting State of which the alienator is a resident.

## **ARTICLE 14**

### Independent personal

1. Income derived by a resident of a Contracting State from the performance of professional services or other independent activities shall be taxable only in that State. Such income may also be taxed in the other Contracting State if:

a) If the person in the other Contracting State has a fixed base regularly available to him in order to practice, get as much of the income as is attributable to that fixed base may be taxed in the other Contracting State, or

b) if he is present in the other Contracting State for a period or periods exceeding in the aggregate 183 days in the calendar year, so much of the income as is attributable to the activity in question may be taxed in the other Contracting State.

2nd The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities performed by physicians, lawyers, engineers, architects, dentists and accountants.

## **ARTICLE 15**

### **Individual business**

1. Subject to the provisions of Articles 16 and 18, salaries, salaries, wages and other similar remuneration derived by a resident of a Contracting State in respect of employment, only in that State unless the employment is exercised in the other Contracting State. If services are rendered in that other State, such remuneration as is derived therefrom may be taxed there.

2nd Notwithstanding the regulatory reforms in paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State, only in the first-mentioned State if:

- a) the recipient is present in the other State for a period or periods exceeding in the aggregate 183 days in the calendar year in question.
- b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and
- c) the remuneration is not borne by a permanent establishment or a fixed base which the employer has in the other State.

third Notwithstanding the preceding provisions of this Article, remuneration for employment exercised aboard a ship or aircraft in international traffic shall be taxable in the Contracting State in which the place of effective management is situated. Where a resident of Sweden derives remuneration for employment exercised aboard an aircraft operated in international traffic by the air transport consortium Scandinavian Airlines System (SAS) and for its own account, taxable compensation only in Sweden.

## **ARTICLE 16**

### **Directors' fees**

Directors' fees and other similar remuneration derived by a resident of a Contracting State in his capacity as a director of a company resident in the other Contracting State may be taxed in that other State.

## **ARTICLE 17**

### **Artistes and Athletes**

1. Notwithstanding the provisions of Articles 14 and 15, income derived by an entertainer who appears in public, such as theater, motion picture, radio or television

artists, or musicians or athletes, from their personal activities as such may be taxed in the Contracting State in which these activities are exercised .

second Where income by operating an entertainer or an athlete in his capacity as such accrues not to the entertainer panels athlete himself but to another person, that income may, notwithstanding the provisions of Articles 7, 14 and 15, be taxed in the Contracting State of which the entertainer or athlete are exercised.

## **ARTICLE 18**

Students and trainees

1. Student or business apprentice who is or was formerly a resident of a Contracting State and who is present in the other Contracting State solely for the purpose of his education or training shall not be taxed in that other State for the amount he receives for his maintenance, education or training, provided that payments arise from sources outside that other State.

2nd Student at a university or other educational institution and business intern in a Contracting State who during a temporary stay in the other Contracting State are employed in that other State for a period not exceeding 183 days in any calendar year to obtain practical experience in connection with his studies or education, may be taxed in that other State solely for the portion of the income from the employment of more than 1 500 Swedish crowns per calendar month, or the equivalent in Tunisian currency. Tax exemption under this paragraph shall be by a total amount of not more than 9,000 Swedish kronor or its equivalent in Tunisian currency. Amount for which an exemption is obtained under this paragraph include personal allowances for the calendar year in question.

third Student or business apprentice who is or was immediately before visiting a Contracting State a resident of the other Contracting State and who is present in the first-mentioned Contracting State primarily for educational, technical or vocational training shall not be taxed in the first-mentioned Contracting State for the amount he receives for work in that State, if the consideration for the calendar year does not exceed 10 000 Swedish crowns or the equivalent in Tunisian currency. This exemption shall only for the time reasonably required or usually needed to complete the studies, technical education or vocational training. Exemption allowed in no case for longer period of five consecutive calendar years.

4th The competent authorities of the Contracting States shall by mutual agreement on the application of the provisions of paragraphs 2 and 3. Competent authorities may also agree on such changes of the mentioned amount to be reasonable with regard to the change in the value of money, changes in legislation of a Contracting State or other similar circumstances.

## **ARTICLE 19**

## **Proceeds that are not explicitly mentioned**

Income - other than income of the civil service, pension and any type of annuity - as a resident of a Contracting State which are not expressly mentioned in the foregoing Articles of this Convention shall be taxable only in that State.

## **ARTICLE 20**

Fortune

1. Capital represented by immovable property referred to in Article 6, paragraph 2, may be taxed in the Contracting State in which the property is located.

2nd Capital represented by movable property forming part of the business property of a company's permanent establishment, or by movable property pertaining to a fixed base for the exercise of independent personal services, may be taxed in the Contracting State in which the permanent establishment or fixed base for exercise independent capacity may be taxed in the Contracting State in which the permanent establishment or fixed base is situated.

third Ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft, shall be taxable only in the Contracting State in which the place of effective management is situated.

4th All other elements of capital held by a resident of a Contracting State shall be taxable only in that State.

## **ARTICLE 21**

Avoidance of double taxation

1. Where a resident of a Contracting State derives income or owns capital which, under the provisions of this Agreement may be taxed in the other Contracting State shall, unless the provisions of paragraphs 4 and 5 to the contrary, the first-mentioned Contracting State:

a) from that person, the income tax an amount equal to the income tax paid in the other Contracting State;

b) from that person, wealth tax, an amount equal to the capital tax paid in the other Contracting State.

Such deduction shall not, however, in no case, exceed that part of the income tax or capital tax as computed before the deduction is given, which is attributable to the income or the capital which may be taxed in the other Contracting State.

2nd Where a resident of a Contracting State derives income or owns capital which, under the provisions of this Agreement shall be taxable only in the other Contracting State, the first-mentioned Contracting State shall include such income or capital tax base but shall the tax on income or wealth peel the part of the income tax and wealth tax that is attributable to the income derived from the other Contracting State or

capital owned there.

third In cases where the imposition or reduction of Tunisian tax granted for a limited period of time in terms of operating income, dividends, interest or royalties derived by a resident of Sweden for the purposes of paragraphs 1 and 5 of this Article settlement against Swedish tax occur, in terms of operating income by an amount equal to the tax which would have been in Tunisia for such exemption or reduction had not been granted, and in respect of income referred to in Articles 10, 11 and 12 by an amount corresponding to the tax under this Agreement shall be levied in Tunisia.

4th Dividends paid by a company resident in Tunisia to companies resident in Sweden shall be exempt from tax in Sweden where this would have been the case under Swedish law if both companies had been resident in Sweden. This exemption shall only if the profits out of which the dividend is paid in Tunisia, subject to the income tax payable at the time of signature of this Agreement or comparable income tax, or if the main part of the distributing company on its income, directly or indirectly, arising from other activities than the management of securities and therefore similar property and business is conducted in Tunisia by the distributing company or any company in which the distributing company holds at least 25 per cent of the capital.

5th Notwithstanding the other provisions of this Agreement may be natural person who is a resident of Tunisia and also according to Swedish legislation concerning the taxes referred to in Article 2 is resident in Sweden, taxed in Sweden. Sweden shall, however, give relief from Swedish tax for Tunisian tax paid on income or capital, in accordance with paragraph 1 of this Article.

6. The provisions of this Article shall not apply in respect of income of public service, pension or any kind of annuity.

## **ARTICLE 22**

### **Prohibition of discrimination**

1. Nationals of a Contracting State shall, whether he is a resident of a Contracting State or not, not in the other Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the nationals of that other State in the same circumstances are or may be subjected.

2nd Taxation on a permanent establishment which an enterprise of a Contracting State has in the other Contracting State shall, in that other State may not be less favorable than the taxation levied on enterprises of that other State carrying on the same activities.

This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs and reductions on account of civil status or family responsibilities which it grants to residents of their own state.

3 . Except where the provisions of Article 9, paragraph 1, Article 11, paragraph 6 of Article 12, paragraph 6 apply, interest, royalties and other disbursements paid by an

enterprise of a Contracting State to a resident of the other Contracting State shall be deductible in calculating the taxable profits of such companies on the same basis as paid to a resident of the first-mentioned State.

Similarly, any debts of an enterprise of a Contracting State to a resident of the other Contracting State deductible in determining its taxable property on the same terms as contracted to a resident of the first-mentioned State.

4th Enterprises of a Contracting State, the capital wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is of other or more burdensome than the taxation and connected requirements to which other similar enterprises of the first-mentioned State are or may be subjected.

5th In this Article the term "taxation" means taxes specified in Article 2 of this Agreement.

6. Sweden permits - to the extent it exists - tax benefits or tax concessions in order to encourage investments in the case of Swedish citizens who invest in Tunisia.

7. Nothing in this Agreement precludes the application of more favorable provisions of either Contracting State for the benefit of investment. Particularly, Sweden, under its laws must allow Swedish citizens, in terms of investments they make in Tunisia, less any losses incurred in Tunisia from the profit that can arise from activities in Sweden. Such deduction of the loss incurred by the company where the investment takes place during a start-up period of at least five years.

## **ARTICLE 23**

### **Mutual Agreement Procedure**

1. Where a resident of a Contracting State asserts that a Contracting State or both states adopted measures, which for him involves or will result with this Convention warring taxation, he may - without prejudice to his right to avail themselves of the remedies available under the domestic legal order - bring the matter to the competent authority of the Contracting State of which he is a resident.

2nd If the competent authority finds the complaint justified and if it is not itself able to arrive at a satisfactory solution, to resolve the case by mutual agreement with the competent authority of the other Contracting State for the purpose of avoiding taxation contrary to this agreement.

third The competent authorities of the Contracting States shall by mutual agreement any difficulties or doubts arising as to the interpretation or application of the agreement. They may also consult together for the avoidance of double taxation in cases not covered by the agreement.

4th The competent authorities of the Contracting States may communicate directly with each other to reach an agreement in the sense of the preceding paragraphs. If oral exchanges of facilitating an agreement, such exchange may take place through a

Commission consisting of representatives of the competent authorities of the Contracting States.

## **ARTICLE 24**

### Exchange of Information

1. The competent authorities of the Contracting States shall exchange such information as is necessary to implement this Agreement and the provisions of the Contracting States' domestic laws concerning taxes covered by this Agreement, insofar as the taxation thereunder is in accordance with this Agreement. Information thus exchanged shall be treated as secret and shall not be disclosed to any persons or authorities other than those sets - including fixing or trouble - or collector of taxes covered by this Agreement.

2nd The provisions of paragraph 1 be construed so as to impose on a Contracting State the obligation:

- a) to carry out administrative measures at variance with the laws or administrative practice of that or of the other Contracting State;
- b) to supply information which is not obtainable under the laws or in the normal administrative practice of that or of the other Contracting State;
- c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information, the disclosure of which would be contrary to public policy (ordre public).

## **ARTICLE 25**

### **Diplomatic and consular officials**

Nothing in this Convention shall affect the fiscal privileges of which, under international law or under the provisions of special agreements, the diplomatic or consular officials.

## **ARTICLE 26**

### Entry into force

1. This Agreement shall be ratified in accordance with the provisions of the respective constitutions of the Contracting States and the ratification shall be exchanged in Tunis as soon as possible.

2nd This Agreement shall enter into force upon the exchange of instruments of ratification and its provisions shall apply:

- a) With respect to income referred to in Articles 10, 11 and 12 on the amounts that become payable as of the first day immediately following the month in which the instruments of ratification were exchanged;

- b) in respect of other income derived on or after 1 January in the year immediately following the exchange of instruments of ratification or higher; and
- c) in respect of wealth tax as determined second kalendaråret after the exchange of instruments of ratification or later.

third Agreement September 6, 1960 between Sweden and Tunisia for the avoidance of double taxation and double down rules concerning mutual assistance regarding direct taxes are repealed. Its provisions expire concerning the taxes to which this Agreement applies by virtue of paragraph 2.

## **ARTICLE 27**

### **Cessation**

This Agreement shall remain in force indefinitely but either of the Contracting States may - 30 June in a year, but not earlier than the fifth year after the agreement was ratified - the diplomatic channel written notice of termination agreement of the other Contracting State . In such event, the applicable contract last time:

- a) With respect to income referred to in Articles 10, 11 and 12 on the amount due for payment by 31 December of the year in which the termination occurs;
- b) in respect of other incomes acquired by 31 December of the year in which the termination occurs; and
- c) in respect of wealth tax as determined in the calendar year next following the year in which the termination occurs.

In witness whereof the undersigned, being duly authorized thereto, have signed this Agreement.

Done at Stockholm, May 7, 1981, in duplicate in the French language.

For the Government of Sweden: Hans Danelius

Government of Tunisia: AB Arfa

## **Appendix 2**

### **Instructions**

#### **A. General Instructions**

The question whether and to what extent a person is liable to tax in Sweden is determined primarily on the basis of the Swedish tax statutes. If, under these provisions tax liability arises, can such nor enter because of the agreement. To the extent that the agreement involves restriction of the charge in Sweden, as prescribed in the Swedish tax statutes, the contract shall however apply.

Although the Agreement taxpayer income or capital wholly or in part shall be exempt from tax in Sweden, the taxpayer shall submit all information for the guidance of taxation which he would otherwise have been obliged to leave.

If the taxpayer can show that the measure taxing authority or court has taken resulted or will result in taxation not inconsistent with the rules, he gets under Art. 23, paragraph 1, request for rectification. Such request shall be made by the government and should be filed as soon as possible after the taxpayer received the knowledge of the illegal industrial taxation.

Such examination of the application of the Agreement referred to in the preceding paragraph may be exercised by an individual, who is resident or ordinarily resident in Sweden, or the Swedish legal entity.

Most types of income are specifically addressed in the contract. Some special species of income - eg periodic maintenance - are not mentioned in the agreement. In such case the provisions of Art. 19.

#### B. Special instructions

to species. 1 and 4

Agreement's provisions are generally applicable only to natural and legal persons who are domiciled in Sweden or Tunisia.

Whether natural or legal person shall be deemed to be a resident of either Contracting State is determined primarily on the basis of the laws of this state. In nature. 4, paragraphs 2 and 3 for the situation of so-called dual residence ie. cases where the taxpayer according to Swedish taxation rules are considered resident in Sweden, according to Tunisian taxation rules are considered resident in Tunisia. For the purposes of this Agreement shall in such cases, the taxpayer is deemed to be a resident only of the Contracting State of which he is a resident under that treaty provisions. Person referred to in 69 § Municipal Tax Act (1928:370), 17 § Law (1974:576) on state income tax and 17 § Law (1947:577) on state property taxes for the purposes of art. 4 paragraph 1 shall be deemed a resident of Sweden, to the best question is whether Swedish embassy or paid off Swedish consulates in Tunisia.

Person referred to in § 70 subsection 1. Municipal Tax Act, § 18 subsection

1. National Tax Act and § 18 Law on State property tax, for the purposes of art. 4 paragraph 1 are deemed resident of Tunisia, to the best question is about Tunisian embassy or paid off Tunisian consulates in Sweden.

to species. 2

The agreement applies to the taxes referred to in Art. 2nd

to species. 6

According to Swedish law, income derived from property, in some cases as business income / cf. eg 27 § Municipal Tax Act (1928:370) /. Income covered by Art. 6 taxable always in the state where the property is located. This rule also applies to royalties from real property or the use of, or the right to work, mineral deposits, sources and other natural resources.

Other royalties are taxed under Art. 12.

to species. 7

The profits that are conducted through a permanent establishment may be taxed as a rule under Art. 7th What is meant by the term "permanent establishment" referred to in Art. 5th

If a natural or legal person resident in Sweden carries on business through a permanent establishment in Tunisia, get it to the place of business attributable income is taxed in Sweden but Tunisian tax on income is deducted from the Swedish tax under Art. 21, paragraph 1. Regarding settlement in some cases higher than the Tunisian tax actually paid (art. 21 paragraph 3) and the procedure for the settlement refers to instruction point 2 to species. 21.

The profits of the natural or legal person resident in Tunisia carries on through a permanent establishment in Sweden, calculated according to art. 7 points 2 - 6.

Underlying the income tax should be primarily the separate accounts that may have been introduced by the permanent establishment. Where necessary, these records shall be adjusted so that revenue is in accordance with paragraphs 2 and 3 stated principle. Deductions are allowed for as much of the head office overheads that can reasonably be considered to fall on the permanent establishment.

If the income of shipping and aircraft in international traffic are special provisions in art. 8.

to species. 8

Income from shipping and aircraft in international traffic shall be taxable under Art. 8 paragraph 1 only in the State in which the place of effective management is situated.

to species. 9

species. 9 contains a general rule of translation of profit distribution between group companies. For Sweden, recalculation on assessment made in accordance with § 43 Municipal Tax Act (1928:370).

If such a conversion takes place between companies in Sweden and Tunisia, the Board shall notify the Government and briefly describe what occurred.

to species. 10

1st What is meant by the term "dividends" as stated in art. 10 paragraph 3.

2nd When natural or legal resident of Sweden derives dividends from a company resident in Tunisia, and the dividend is attributable to a share, which is effectively connected with a permanent establishment or a fixed base which the dividend-have in Tunisia, observed the provisions of the second and third paragraphs.

If the dividends collected by the corporation or business association, the payout is exempt from tax in Sweden as far as art. 21, paragraph 4 requires it. The Swedish rules on the exemption from tax for dividends referred to in Art. 21, paragraph 4, see § 54 of the Municipal Tax Act (1928:370) and 7 § Law (1947:576) on state income tax. In other cases calculated Swedish tax on the gross dividends without deduction of Tunisian tax. Deductions are allowed, however, as usual, for administrative expenses

and interest on debt that is attributable to the dividend. Swedish tax on dividends is reduced under Art. 21 paragraph 1 by offsetting Tunisian tax collected under Art. 10 paragraph 2. Tunisian tax shall not exceed 20% or, in the cases referred to in Art. 10 paragraph 2 a), 15% of the gross amount. In the case of deduction in certain cases of Tunisian higher taxes than actually paid (Article 21 paragraph 3) and the procedure for settlement, please refer to the instructions point 2 to species. 21.

third When a natural or legal resident of Sweden derives dividends from a company resident in Tunisia and the dividends are attributable to a share, which is effectively connected with a permanent establishment or a fixed base which the recipient of the dividends is in Tunisia, the dividends shall, unless otherwise apply because the species. 21, paragraph 4, to be taxed in Sweden but Tunisian tax on the dividend is deducted from the Swedish tax under Art. 21, paragraph 1. Regarding settlement in some cases higher than the Tunisian tax actually paid (Article 21 paragraph 3) and the procedure for the settlement refers to instruction point 2 to species. 21.

4th When incorporated in Sweden effects distribution to natural or legal person resident in Tunisia and the dividend is not attributable to the proportion that is effectively connected with a permanent establishment or a fixed base which the dividend recipient has in Sweden, the coupon with 20% or, in the case referred to in Art. 10 paragraph 2 a), 15% of the gross amount. Dividends from Swedish economic association taxed in that case under Article 6 § 1 subsection. a or c Act (1947:576) on state income tax, but the state income tax may not exceed 20% or, in the cases referred to in Art. 10 paragraph 2 a), 15% of the gross amount. At tax to state income tax for dividends from Swedish economic association shall tax audit in the declaration record the data necessary for billing. Length Operator authority responsible for such a note is transferred to the tax length.

Regarding the procedure for reduction of the Swedish tax on dividends applied in other specific provisions.

If the dividend recipient has a permanent establishment or a fixed base in Sweden and the dividends are attributable to a share, which is effectively connected with such permanent establishment or fixed base, applied art. 7 respectively. species. 14th In that case do not apply the above rules limiting the Swedish tax on dividends. to species. 11

1st What is meant by the term "interest" as stated in art. 11 paragraph 3.

2nd Interest, payable from Tunisia to natural or legal person resident in Sweden, taxed here.

If the interest rate is not attributable to the debt that is effectively connected with a permanent establishment or a fixed base which the recipient of the interest in Tunisia, calculated Swedish tax on the gross amount without deduction of Tunisian tax. Deductions are allowed, however as usual for management costs, etc. Swedish tax on the interest rate is reduced under Art. 21 paragraph 1 by offsetting Tunisian tax

levied under Art. 11 paragraph 2., This tax may not exceed 12% of the gross amount. In the case of deduction in certain cases of Tunisian higher tax than that faktikt paid (Article 21 paragraph 3) and the procedure for settlement, please refer to the instructions point 2 to species. 21.

Is the interest attributable to the debt, which is effectively connected with a permanent establishment or a fixed base which the recipient of the interest in Tunisia, applied art. 7 respectively. species. 14th Tunisian tax on interest deducted in such cases from the Swedish tax under Art. 21, paragraph 1. Regarding settlement in some cases higher than the Tunisian tax actually paid (Article 21 paragraph 3) and the procedure for the settlement refers to instruction point 2 to species. 21.

third Interest payable from Sweden to the natural or legal person resident in Tunisia, can under current tax regulations are not taxed in Sweden. However, this applies only in respect of interest that is income from a professional source of capital. Is the interest attributable to capital movement / cf. paragraph 2 of the instructions to 28 § Municipal Tax Act (1928:370) / taxable interest rate in Sweden, provided that the interest is attributable to the debt that is effectively connected with a permanent establishment or a fixed base which the beneficial owner of the interest is in Sweden (Article 11 paragraph 4).

to species. 12

1. regard to the taxation of such royalty provided for in Art. 12, paragraph 3, the following applies.

Royalties paid from Tunisia to natural or legal person resident in Sweden, taxed here. If royalties are not attributable to the right or property, which is effectively connected with a permanent establishment or a fixed base which the recipient of the royalties, in Tunisia, calculated Swedish tax on gross royalties without deduction of Tunisian tax. Deductions are allowed, however, in regular order for costs. Swedish tax on royalties is reduced under Art. 21 paragraph 1 by offsetting Tunisian tax levied under Art. 12 paragraph 2., This tax may not exceed 15% or, in the cases referred to in Art. 12, paragraph 2 a), 5% of the gross royalties. In the case of deduction in certain cases of Tunisian higher taxes than actually paid (Article 21 paragraph 3) and the procedure for settlement, please refer to the instructions point 2 to species. 21.

Are the royalties attributable to the right or property, which is effectively connected with a permanent establishment or a fixed base which the recipient of the royalties, in Tunisia, applied art. 7 respectively. species. 14th Tunisian tax on royalties was settled in such a case from the Swedish tax under Art. 21, paragraph 1. Regarding settlement in show cases of Tunisian higher tax than as actual paid (Article 21 paragraph 3) and the procedure for the settlement refers to instruction point 2 to species. 21.

Royalties paid from Sweden to the natural or legal person resident in Tunisia, be taxed in Sweden according to § 28 subsection 1. third paragraph of section 3 of the instructions to 53 § Municipal Tax Act (1928:370) compared to 2 and 3 § § Law (1947:576) on state income tax. Unless the cases referred to in Art. 12 paragraph 4 are

available, however, the sum of the state and municipal income tax that is attributable to the royalty does not exceed 15% or, in the cases referred to in Art. 12, paragraph 2 a), 5% of the gross royalties. For the purposes of this maximization rule observed the provisions of the following paragraph.

If earner also carries other income from Sweden than royalties, considered the royalties accruing large proportion of the entire state income tax as royalties - after deducting expenses attributable to royalties - form of income earner's total income of different acquisition sources. The rateable Board shall return record gross royalties and, where appropriate, the just-quoted portion of the state income tax and state and that the sum of the ordinary law calculated and the royalties accruing to state and local income tax, if it exceeds 15%, or, in cases referred to in Art. 12, paragraph 2 a), 5% of the gross royalties, reduced by the excess amount, and that the municipal income tax may be reduced only to the extent that the excess amount exceeds the state income tax. Length Operator authority responsible for such a note is transferred to tax long run.

Example: A resident in Tunisia receives such royalties referred to in Art. 12, paragraph 2 a) from Sweden with a gross amount of €10 000. Royalties related deductible expenses amounted to SEK 500. The taxpayer further assumed collect in Sweden taxable income from other sources of income in the amount of 5 000, and when taxing to state income tax benefit general deduction of SEK 1 000. The state income tax to taxable income thus becomes (9 500 +5 000-1 000 =) 13 500 SEK. The Declaration noted: "Under the agreement with Tunisia, the government respectively. Municipal income tax reduced by the amount by which the sum of the municipal income tax, which is attributable to 9500

9000

crowns, and ----- of the entire state income tax exceeds 5%

14500

of 10 000. The municipal income tax may be reduced only in

9500

the extent that the excess amount exceeds ----- of the entire

14500

the state income tax. "

second Royalty or other sum payable as consideration for the use of mineral deposits, sources and other natural resources are taxed under Art. 6.

to species. 13

Gains derived by a natural or legal person resident in Tunisia acquires through the sale of property in Sweden or of shares in a company whose assets consist principally of such property, is taxed here (Article 13 paragraph 1).

Furthermore taxed in Sweden profits by non-commercial disposal of movable property forming part of a permanent establishment which a resident of Tunisia have here (Article 13 paragraph 2). The same applies in the case of movable property

pertaining to a fixed base for the exercise of independent professional activity which the earner is in Sweden.

Capital gains derived by a natural or legal person resident in Sweden, taxed here. With respect to gains from the alienation of movable property referred to in Art. 20, paragraph 3, however, that this may be taxed only where the company has its place of effective management. According to Art. 13, paragraph 1, the Tunisian tax is levied on the capital gain, if the disposed property consists of property in Tunisia or of shares in a company whose assets consist principally of such property. The same applies under Art. 13 paragraph 2 in respect of movable property forming part of a permanent establishment which has earner in Tunisia, or movable property forming part of a fixed base for the exercise of independent professional activity which the earner is in Tunisia.

Swedish tax on the capital gain reduced under Art. 21, paragraph 1, by offsetting the Tunisian tax in accordance with the provisions of Art. 13 applied the same profit. In the case of proceedings before the settlement, please refer to the instructions point 2 to species. 21.

to species. 14

1. of Art. 14, paragraph 2 provides examples of what is meant by the term "professional services".

2nd Income from professional services or independent activities taxed as a rule only in the state where the taxpayer is a resident. Upon exercise of the activity in the other state and staying earner there for more than 183 days during the calendar year in question, however, get so much of the income as is attributable to activities in that other State may be taxed there. Furthermore, the income attributable to activities exercised at such fixed base, referred to in art. 14, paragraph 1 a), be taxed in the state where the device is located.

Where a resident of Sweden derives income of professional services and related business in Tunisia, as in accordance with what has previously been said, may be taxed there, the income may be taxed in Sweden but Tunisian tax on the same income is deducted from the Swedish tax under Art. 21, paragraph 1. Concerning the procedure for the settlement refers to instruction point 2 to species. 21.

third With regard to the taxation of income derived by athletes, actors, musicians, etc. see instructions species. 17.

to species. 15

Income of individual service gets under Art. 15 paragraph 1 of rule, be taxed in the State where the work is performed. Exceptions to this rule provided for in Art. 15 paragraphs 2 and 3, and Art. 16 and 18.

With regard to the taxation of income derived by athletes, actors, musicians, etc. see instructions species. 17.

to species. 16

When the Swedish company pays the fees to a resident of Tunisia taxable benefit in Sweden, if it can be done under current tax rules. Have such compensation received by a resident of Sweden by a company resident in Tunisia, the income may be taxed in Sweden but Tunisian tax on income is deducted from the Swedish tax under Art. 21, paragraph 1. Concerning the procedure for the settlement refers to instruction point 2 to species. 21.

to species. 17

Income, as theater, motion picture, radio or television artists, musicians and other professionals as well as athletes, through their professional activities, be taxed in the State in which these activities are exercised (Article 17, paragraph 1). This applies whether the income accrues to the entertainer or athlete himself or another person (Article 17 paragraph 2). To Sweden, exercised in the application of art. 17 provisions of § 54 first paragraph c) Municipal Tax Act (1928:370) and § 7 first paragraph b) Act (1947:576) on state income tax.

to species. 19

Income that has not been addressed, in particular species. 6-18 taxed under Art. 19 only in the recipient's country of residence. This does not apply to income of public service pension or annuity. These types of income are not addressed in the agreement. to species. 21

1. Revenue from Sweden taxed here as far as Swedish tax regulations warrant it and the reduction of tax liability does not arise from other articles. The same applies in respect of capital asset situated in Sweden. If the income or capital under the contract may also be taxed in Tunisia, granted relief by the Tunisian taxation under Art. 21, paragraph 1.

2nd Income from Tunisia, which are derived by a resident of Sweden, for the purposes of assessment in Sweden, except for dividends in some cases from companies in Tunisia. In the case of dividends see paragraph 2, second subparagraph, and paragraph 3 of the instructions to species. The 10th likewise included fortune asset that is located in Tunisia on assessment for Swedish wealth tax. Swedish tax on income or capital will be reduced by offsetting under Art. 21, paragraph 1, unless the case is present as indicated in the instructions section 3 or 4.

Swedish taxes are based on the revenue gross without deduction of Tunisian taxes covered by the Agreement. Deductions are allowed in regular order for costs related to income. From the thus calculated Swedish tax deducted under Art. 21, paragraph 1, an amount equal to the Tunisian tax on that income. Regarding the size of the Tunisian tax on dividends, interest and royalties, see Instruction point 2 to species. 10, instruction point 2 to species. 11 with indications point 1 to species. 12th Furthermore, observed that, in cases referred to in Art. 21, paragraph 3, higher Tunisian tax shall be deducted than that paid on the income in question. Have Tunisian tax under the agreement levied on company profits that have been conducted in Tunisia, observed that income computed under Art. 7.

The taxpayer should, in conjunction with their tax return for the tax year for which the income respectively. assets are taxable, provide evidence or other documentation indicating the Tunisian tax imposed on the income respectively. assets or, in the case of operating income in the cases referred to in Art. 21, paragraph 3, the Tunisian tax that would have been due if the exemption or reduction had not been announced. Settlement of Tunisian income tax may be made in amounts of up sum of the Swedish taxes on that income. For the purposes of this rule, the income of Tunisia accruing large proportion of the entire state income tax income - after deductions for expenses - represent the taxpayer's total income of different acquisition sources. Municipal income tax is considered to be due on income from Tunisia to the proportion that the income - after deductions for expenses - represent the taxpayer's total income of different sources of income to be taxed in the same municipality as the revenue from Tunisia.

Settlement is made primarily from state income tax. Not enough this is offset against the balance of the municipal income tax on that income.

The rateable Board shall record the declaration equivalent in Swedish kronor by the Tunisian tax on such income, and specify that the settlement shall be effected by this tax amount, not exceeding the amount of the Swedish taxes on income. Length

Operator authority responsible for the note about the settlement made in tax length.

Example: A resident of Sweden derives income from real property in Tunisia with an amount of SEK 10 000. On the income considered to fall Tunisian tax in the amount of 1 500. Deductible expenses amounted to SEK 500. The taxpayer further assumed collect net income in Sweden localized sources of income in an amount of SEK 90 000 and in its tax assessment for state income tax benefit general deduction of 10,000 kronor. The state income tax to taxable income thus becomes (9 500 +90 000-10 000 =) 89 500 them. The declaration noted: "Deduction from income tax under the agreement with Tunisia to take place with SEK 1 500, but not exceeding the sum of the

9500

municipal income tax accruing on 9500 crowns, and ----- of

99 000

throughout the state income tax. Settlement is made primarily from state income tax. "

Has the taxpayer more revenue from overseas, at settlement procedure, the provisions of § 25 first paragraph of the Act (1947:576) on state income tax be applicable.

third Where a resident of Sweden derives income which, under Art. 8 paragraph 1 or species. 13, paragraph 2 shall be taxable only in Tunisia, are recognized income for taxation in Sweden. State and local income tax will be calculated in the usual way. The thus calculated income taxes are reduced by an amount equal to the portion of income taxes as at a proration attributable to the income which under the Agreement shall be taxable only in Tunisia. The same applies in the case of assets which under Art. 20 paragraph 3 shall be taxable only in Tunisia.

4th Where a resident of Sweden derives income of the civil service, pension or

annuity from Tunisia, the revenue of the tax in Sweden. Have income taxed even in Tunisia, granted relief in taxation in Sweden according to the Municipal Tax Act (1928:370) and the Act (1947:576) on state income tax.

Income of the civil service, pension or annuity, paid from Sweden to a resident in Tunisia, taxed here if it can be done according to current tax regulations.

to species. 22

Of species. 22 point 2 that company in Tunisia can not be imposed on capital in Sweden. This provision constitutes an exception to the rule in § 6 subsection 1. first paragraph c) Act (1947:577) on state property tax.

4th Where a resident of Sweden derives income of the civil service, pension or annuity from Tunisia, the revenue of the tax in Sweden. Have income taxed even in Tunisia, granted relief in taxation in Sweden according to the Municipal Tax Act (1928:370) and the Act (1947:576) on state income tax.

Income of the civil service, pension or annuity, paid from Sweden to a resident in Tunisia, taxed here if it can be done according to current tax regulations. Ordinance (1984:145).